

Serbia: "South Stream" renamed "Gastrans"

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The pipeline through which Russian gas from the second pipeline of the Turkish stream will go to European consumers through Serbia will be built by "Gastrans", which, since yesterday, it's the name of "South Stream d. o. o."

"Gastrans", a limited liability company Novi Sad, will build a gas pipeline through Serbia that will transport Russian gas of the Turkish stream from the Bulgarian border through Serbia to Hungary, "Balkan magazine" reported.

"Gastrans d. o. o" is, in fact, the re-registered company "South Stream d. o. o.". The Business Directory Management Decision was adopted on January 30th this year. The date of the founding act was also changed: it is deleted on April 30, 2012, and it is enrolled on January 26, 2018.

The directors of "Gastrans" remain the same, and they are Dušan Bajatović, from the Serbian side, and Alexander Syromyatin, from the Russian side, because that company remains in mixed Serbian-Russian ownership.

The gas pipeline that "Gastrans" will build, go through the route envisaged for the construction of the South Stream gas pipeline, will enter Serbia in Zaječar, and the capacity of that pipeline will be at least 12 billion cubic meters per year (the capacity of a single "Turkish Stream" pipeline is 15.75 billion cubic meters of gas annually and Bulgaria spends about three billion), but according to the information of the "Balkan magazine", the final decision has not yet been made, and the construction costs will depend on the capacity.

The former South Stream route has been defined in Serbia, and for some sections an expropriation was done, the terrain was cleared of mines ... This section is 421 kilometers long, and the construction of two branches of the "South Stream" was also planned: for Croatia, 52 kilometers long and 105 kilometers long for Republika Srpska. Serbia has also considered the possibility of connecting gas pipelines with Romania, projects of the southern branch towards Kosovo, Macedonia were mentioned ... But, independently, the Bulgarians are negotiating to build a branch towards Macedonia.

With the permission of Turkey "Gazprom" to lay the second pipeline "Turkish Stream" through their territorial waters in the Black Sea, the construction of a pipeline that will transport Russian gas through the Balkans to Balkan and European consumers is finally certain. This, however, scatters Bulgaria's hopes that the Russians will change their minds and turn their other pipes to their Black Sea coast, to the gas hood that their prime minister, Boyko Borisov, has advocated since the South Stream project failed and began the story of the construction of the "Turkish Stream".

The question is also how Bulgaria and Serbia will finance the construction of the pipeline on

their territory.

Both Bulgaria and Serbia signed a "road map" with "Gazprom" last year to build gas transportation capacities in their territories. The Serbian document was signed on June 27, 2017, in the presence of Serbian President Aleksandar Vučić, Serbian Minister of Mines and Energy Aleksandar Antić and Alexei Miller, Chairman of the Board of Directors "PAO Gazprom".

The statement of "Srbijagas" then stated that this document stipulates that the parties will undertake a series of activities aimed at the construction of new gas transport capacities on the territory of the Republic of Serbia.

The Russians, obviously, are now cautious and do not want these gas transportation capacities to present themselves as their gas pipelines on foreign territories, thus challenging Brussels.

Even though it is increasingly certain that the gas from Turkey will go through Bulgaria, and through Serbia to Hungary, in order to replace the termination of the transit of Russian gas through Ukraine next year, there is no more information from Brussels if the EU will resume its "machinery" against the gas pipeline through which Russian gas will arrive in this part of Europe.

But the Russians obviously care about building the gas pipelines through Bulgaria and Serbia, so there is no need to doubt that they will be engaged, because without these new gas pipelines, the other pipe of the "Turkish Stream" has no purpose.

It remains, therefore, to see if a system of financing such as the one Serbia had for "South Stream" will be agreed upon. After all, the Russians are co-owners of "Gastrans d. o. o.".

What is important now is that Serbia, should agree with "Gazprom" as soon as possible to increase the capacity of the Underground gas storage facility Banatski Dvor from the current 450 to 750 million cubic meters, and perhaps more, depending on the technical possibilities.

Expansion of the Banatski Dvor is important because this gas storage after the construction of the gas pipeline for the transit of this energy from the "Turkish Stream" will no longer be only a reserve for consumers in Serbia in emergency situations. With the extension of the second pipe of the "Turkish Stream" through the Balkans, regardless of how this landline part of the pipeline is called, Serbia will not only become a transit country for gas, but with adequate gas storage capacities can be a significant gas hub. In addition, it should not be forgotten that, last year, Gazprom obtained a license to resell Russian gas, which provides additional opportunities for trade with such energy.